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Date 11/19/87

Surname [REDACTED]

NOV 19 1987

Dear [REDACTED]

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code. You were incorporated on [REDACTED].

The information submitted discloses that your stated purposes are as follows:

"The corporation is organized and operated exclusively for religious purposes within the meaning of section 501(c)(3) of the Internal Revenue Code."

You state that you were formed as an evangelistic outreach organization which utilizes skiing as a means of bringing christians and non-christians together for fellowship.

You are a membership organization. Membership is open to the public. A membership fee of \$[REDACTED] annually is required for membership. You currently have [REDACTED] members. Your members are members of various churches.

All of your ski trips are planned and organized by your President and directors. Your ski trips are scheduled on either full-day or week-end excursions.

Individual members are required to pay the cost of ski trips. The costs for members is at a reduced or discounted rate when compared with the costs for non-members.

You sponsored and organized [REDACTED] ski trips during the [REDACTED] winter ski season.

Your total receipts were [REDACTED] for the period [REDACTED] to [REDACTED], including [REDACTED] in ski trip payments.

Your total disbursements were \$[REDACTED] for the same period including \$[REDACTED] in ski trip deposits.

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[REDACTED]

You state that the ski trips are organized with scheduled teaching periods for the purpose of evangelism to draw nonbelievers into a setting where the Gospel of Jesus Christ can be shared with them to make a decision to accept him as savior.

In addition to your ski-trips, you conduct a bi-weekly bible study, monthly membership meetings pot-luck dinners and other excursions such as a white-water rafting trip.

Section 501(c)(3) of the Internal Revenue Code of 1954 provides for the exemption of organizations that are organized and operated exclusively for religious, charitable, or educational purposes, no part of the net earnings of which inures to the benefit of any shareholder or individuals.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations states that in order for an organization to be exempt as an organization described in section 501(c)(3), it must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational or operational test, it is not exempt.

Section 501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3) of the Code. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(c)(2) of the regulations provides that an organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations provides that an organization is not organized or operated exclusively for one or more of the purposes specified in subdivision (i) of section 1.501(c)(3)-1(d)(1) unless it serves a public rather than a private interest. Thus, to meet the requirement of this subdivision, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interest.

Better Business Bureau v. United States 326 U.S. 279, 283 (1945) stated that a single noneducational purpose, if substantial, will destroy an organization's exemption regardless of the number or importance of truly educational purposes.

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Rev. Rul. 77-366, 1977-2 C.B. 193 provides that a nonprofit organization that arranges and conducts winter-time ocean cruises during which activities to further religious and educational purposes are provided in addition to extensive social and recreational activities is not operated exclusively for exempt purposes and does not qualify for exemption under section 501(c)(3) of the Code.

You are not organized and operated exclusively for charitable purposes within the meaning of section 501(c)(3) of the Code. Your income and assets do not further exclusively charitable purposes within the meaning of section 1.501(c)(3)-1(c)(2) of the regulations. More than █% of your receipts and █% of your expenditures are directly attributable to your ski trip activities.

The extensive amount of time, energy, and other resources which are regularly devoted to the conduct of your ski trips and other social activities demonstrates that your ski trips and other social gatherings serve substantial independent purposes of a noncharitable nature much the same as the organization described in Rev. Rul. 77-366.

Further, ski-trip discounts or reduced rates for members, officers, and directors serves their private interest rather than a public interest pursuant to section 1.501(c)(3)-1(d)(1)(ii).

Based on the information submitted, we have determined that you are not exempt under section 501(c)(3) of the Internal Revenue Code.

You are required to file federal income tax returns. Contributions to you are not deductible under section 170 of the Code.

You have a right to protest this ruling if you believe that it is incorrect. To protest, you must submit a statement of your views with a full explanation of your reasoning. This statement must be signed by one of your principal officers and must be submitted in duplicate within 30 days from the date of this letter. You also have a right to a conference in this office after your statement has been submitted. You must request a conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your principal officers, that person must file a proper power of attorney and otherwise qualify under the Conference and Practice Requirements.

If you do not protest this proposed ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides, in part, that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service.

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- 4 -

[REDACTED]

If we do not hear from you within 30 days, this ruling will become final, and copies of it will be forwarded to the District Director. Thereafter, any questions about your federal income tax status or the filing of tax returns should be addressed to that office.

The appropriate state officials will be notified of this action in accordance with section 6104(c) of the Code.

Sincerely yours,

(signed) [REDACTED]

[REDACTED]
Chief, Exempt Organizations
Rulings Branch

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

cc: [REDACTED]

cc: State Officials
[REDACTED]

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Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname	[REDACTED]	[REDACTED]					
Date	11/16/87	11-19-87					